cc: Commissioner Chong
Ms. Jill Luckett

**Attachments** 

70 MILES ARCS FROM LICENSED SMR STATIONS ON CHANNEL 440 - 861.9875MHZ

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70 MILES ARCS FROM LICENSED SMR STATIONS ON CHANNEL 479 - 862.9625MHZ

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70 MILES ARCS FROM LICENSED SMR STATIONS ON CHANNEL 510 - 863.7375MHZ

70 MILES ARCS FROM LICENSED SMR STATIONS ON CHANNEL 570 - 865.2375MHZ

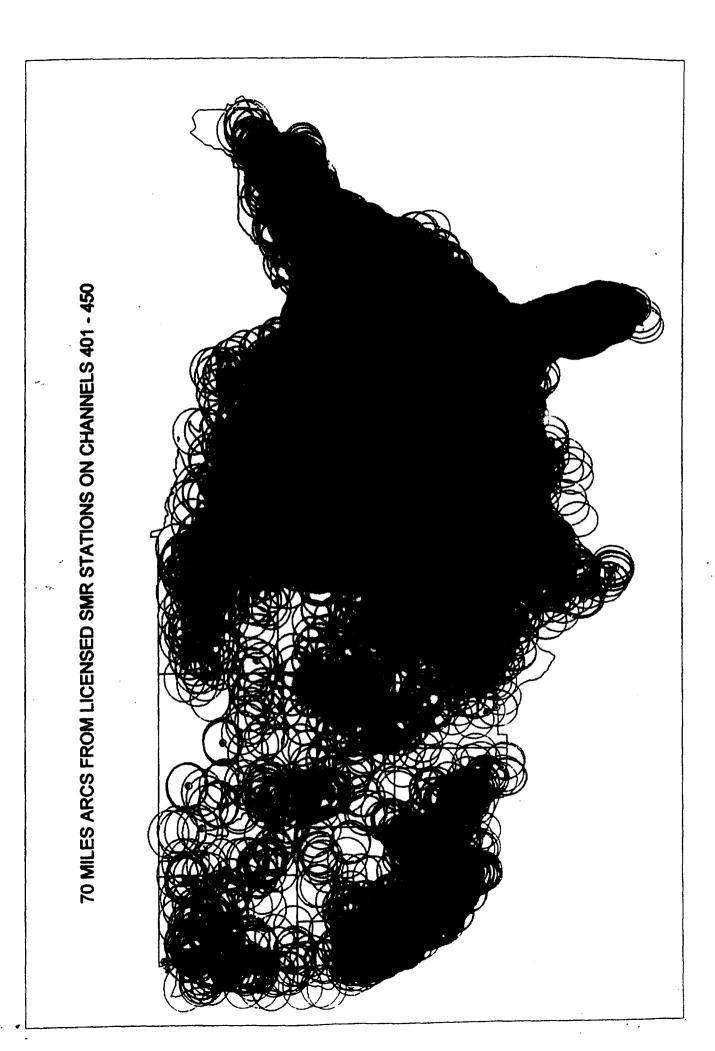
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## CERTIFICATE OF SERVICE

- I, Rose I. Dodson, a legal assistant for the law firm of
  Ross & Hardies certify that a copy of the foregoing "PETITION FOR
  PARTIAL RECONSIDERATION" was served this day via first class
  mail, postage prepaid upon:
  - \* Chairman Reed E. Hundt Federal Communications Commission 1919 M Street, N.W. Room No. 813 Stop Code 0101 Washington, D.C. 20554
  - \* Commissioner James H. Quello Federal Communications Commission 1919 M Street, N.W. Room No. 802 Stop Code 0106 Washington, D.C. 20554
  - \* Commissioner Andrew C. Barrett Federal Communications Commission 1919 M Street, N.W. Room No. 826 Stop Code 0103 Washington, D.C. 20554
  - \* Commissioner Rachell B. Chong Federal Communications Commission 1919 M Street, N.W. Room No. 844 Stop Code 0105 Washington, D.C. 20554
  - \* Commissioner Susan Ness Federal Communications Commission 1919 M Street, N.W. Room No. 832 Stop Code 0104 Washington, D.C. 20554

- \* Ms. Rosalind K. Allen Acting Chief, Land Mobile and Microwave Division Federal Communications Commission 2025 M Street, N.W. Room 5202, Stop Code 1700A1 Washington, D.C. 20554
- \* Ms. Regina Keeney, Chief
  Wireless Telecommunications Bureau
  Federal Communications Commission
  2025 M Street, N.W.
  Room 5002
  Stop Code 1700
  Washington, D.C. 20554
- \* Mr. David Furth
  Deputy Acting Chief
  Commerical Radio Division
  Wireless Telecommunications Bureau
  Federal Communications Commission
  2025 M Street, N.W.
  Room 5202
  Stop Code 1700A1
  Washington, D.C. 20554

Rose I. Dodsor

\* Hand delivered

Dated: December 21, 1994

## EXHIBIT C

Statements of
William Wyatt, Total Com., Enid, OK
Bob W. Roberts, P.E.C. Mobile Communications, Springfield, IL
Gene Stoker, Idaho Communications, Boise, ID

## DECLARATION OF WILLIAM WYATT

William Wyatt, President of Total Com, Inc., located at 2701 N. Van Buren, Enid, Oklahoma 73207, gives this declaration with attachment in support of the Comments of SMR Won in response to the Further Notice of Proposed Rulemaking in PR Docket No. 93-144, Released November 4, 1994.

Total Com, Inc. is an Oklahoma corporation that began operating on August 1, 1985 and currently employs 7 people. Our annual gross income in 1994 was \$550,000. Our business is the sale and service of radio communications equipment and services. We provide VMF and UMF radio systems, 800 MHz SMR service and antenna site rental. We currently operate 14 SMR sites in North and Western Oklahoma with 53 channels. The area we service is about 36,000 square miles with a population of about 500,000.

Since 1989, the SMR portion of our business has developed rapidly, 25% per year, to a point where we have about 400 customers using 800 mobile radio units. We began providing SMR service in rural Oklahoma years ahead of cellular. Today we use a large percentage of our spectrum to deliver service to the public than Cellular does. Approximately 90% of these units are interconnected to the PSTN and 10% are dispatch only. The average monthly invoice for interconnect service is \$40.00 for 300 minutes of service, and dispatch is \$10.00 per month.

We feel compelled to comment on this FNPRM because the future of our business is threatened. We are unable to add frequencies or new locations to serve our growing markets because of a spectrum shortage.

The Foregoing declaration is true and correct to the best of my knowledge and is given under penalty of perjury.

William Wyatt

Dated: January 5, 1995



R.R. 6, Box 187 Springfield, IL 62707 217-546-2500 January 4, 1995

R.R. 3, Box 1C West RT 121 Sullivan, IL 61951 217-728-2302 Federal Communications Commission 1919 M Street, N.W. Room 222 Washington, DC 20554

Systems Design Training Installation Service Attn: Acting Secretary William F. Katon

Ref: Third Report and Order on Regulatory Parity.

My name is Bob W. Roberts. I am Vice President of P.E.C. Mobile Communications in Springfield, IL, a Director of the Illinois Mobile Radio Dealers Association and a Director of SMR WON.

I have been meeting with NABER, AMTA, Members of Congress, and FCC Commissioners staff people for the past eight months regarding the proposed auctions of SMR spectrum and proposed rule changes.

I am filing these comments on behalf of P.E.C. Our company is a small business, established in 1971. Barbara Roberts is 100% owner of P.E.C., who began business after seeing the need to provide land mobile communications for business and public safety. Beginning with 4 employees and an annual gross sales of less than \$50,000., the company now has two sales and service locations covering 26 counties of central Illinois, employs 15 people and last has grown to annual sales of \$850,000. last year. We provide SMR

Service to business as well as public safety customers and are half way through paying back a SBA loan forexpansion and to improve and expand our SMR operation.

During the time I spend in Washington discussing the auctions and proposed rules I was very frustrated because those I talked with did not understand the problems in a rural environment. We are not in a major market, where the largest problem is one of being efficient in taking care of as many customers as feasible. In our rural environment, the problem is acquiring enough customers to stay in business. For example, a plumbing and heating company that used to do business in the Springfield area is now branching out into central Illinois to have enough work to stay in business.

Another problem we face is economics. An example is some of our public safety customers (ESDA, Building and Zoning and Sheriff dept) use our SMR system because we charge \$10. a month for unlimited dispatch and 2¢ per minute for interconnect. When comparing to the major market you find costs of \$30. to \$50. per month for dispatch and an average of 50¢ per minute for interconnect. Our prices are lower because in a rural environment the tax base is not there for higher cost communication for public safety customers. It takes a volunteer fire department 15 years just to purchase one new fire truck at a cost of \$120,000. The same principle applies to our business customers. A taxi company who relies on tourism and convention business has no other way to receive revenue if the

conventions go elsewhere; therefore they cannot pay us their monthly payments. Also, a road construction company holds off repairing or ordering equipment and service because the state road tax fund doesn't have enough money to let bids. When you are in a rural environment you have many economic constraints.

When we at P.E.C. build a SMR site, first we do a feasibility study to see if there is an adequate customer base to justify the expenditure. Our competitors, such as Motorola, go through the same process, and in discussions with them, our problem was not limited number of frequencies but finding enough customers to meet the FCC's original loading requirements. P.E.C. has a problem where we cannot expand our SMR system and customer base. This problem has been created the FCC's five-year construction of area wide licenses by speculators and warehousing of Nextel and it's merging companies. In addition, the FCC was requested by Congress to auction unused SMR spectrum.

In my meetings with FCC Commissioner staff people I was asked to provide solutions to these problems. After reviewing all SMR 800 MHZ licensees within 70 miles of our SMR operations I found no spectrum available to auction; everything was licensed to real users, speculators and warehousing of Nextel and merging companies. The solution to this problem, at least in our area, is not to have auctions as there is nothing to auction.

## Page 4, Federal Communications Commission

The second problem is the speculators and warehousing of frequencies which causes no new frequencies to be utilized for existing and potential new customers. Five year construction permits are harmful to the economy because, as presently, companies like ours who have a real need to provide service, cannot because most of the people who have these permits in our area, have no plan or finances to construct within this time. Even Cellular, with it's financial support, has not constructed in some of our remote areas after eight years.

In rural areas there needs to be a different standard based on a yearly completion of construction to justify the frequencies requested. This would assure that the public's needs for communication would be provided.

If there were spectrum available there should be special considerations made for existing SMR operators to expand within their market area and protect small business and minorities.

If auctions were held it would be cost prohibitive for small business to bid against utilities, Wall Street funded businesses, cable companies and any large well-funded company. If this happens, we would be losing our SMR licenses so they could be auctioned, which has been the majority of our business for the past eight years. The trickle down effect would be laid off employees and our services would have to be much higher for the end user.

## Page 5, Federal Communications Commission

I hope the above information is helpful to understand the complexity of the business and communication needs in rural America. Additionally, I would like you to know that we strongly support the comments filed by SMR WON.

Bob W. Roberts

## DECLARATION OF GENE STOKER

Gene Stoker, General Manager of Idaho Communications Limited Partnership, Boise, Idaho, gives this declaration in support of the Comments of SMR Won in response to the Further Notice of Proposed Rulemaking in PR Docket No. 93-144, Released November 4, 1994.

I have over forty years' experience managing, owning, and operating SMR and mobile radio systems in Southern Idaho. Idaho Communications was incorporated in 1956 and has been offering SMR service since 1983. I know the markets very well, and have sold thousands of mobile radios to customers in the Southern Idaho market.

## Interference Beyond 70 Miles

Idaho Communications locates its main transmission station on Shafer Butte, approximately 12 miles from Boise, Idaho.

Because of the site position on top of the butte, Idaho

Communications is able to transmit acceptable SMR signals over a

100 mile radius. Most of Idaho Communication's transmission

stations located on elevated land or hills are capable of

transmitting beyond a 70 mile radius. Due to the mountainous

terrain of southern Idaho and the surrounding states, other SMR

operators also have transmission sites which broadcast over 70

miles.

This extensive line of sight coverage has threatened to cause interference within the protected service area of SMR channels in the Southern Idaho market. In 1992, for example, an operator in Oregon, Greg Herman, received a license from the FCC

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to broadcast on an identical frequency to one currently licensed to Idaho Communications with a construction site at Lime Mountain in Oregon, approximately 75-80 miles from the Shafer Butte site. Upon learning of this licensed site, I contacted Mr. Herndon, who agreed with me that Idaho Communications' and his sites would interfere with the transmission of both licensed channels to within 30 miles of one another. Because sufficient spectrum was available in 1992 to allow Mr. Herndon to relocate, he and Idaho Communication were able to reach an agreement whereby Mr. Herndon requested and received a modification to his license permitting him to broadcast at a different frequency.

The foregoing declaration is true and correct to the best of my knowledge, and is given under pain and penalty of perjury.

Gene Stoker

Dated: January 5, 1994

EXHIBIT D

EMCI Study

# Analysis of the Impact of FCC's Wide Area SMR Licensing Proposal on the Business Radio Market

For SMR WON

January 5, 1995

by
MTA-EMCI





# Analysis of the Impact of FCC's Wide Area SMR Licensing Proposal on the Business Radio Market

For SMR WON

January 5, 1995

by
MTA-EMCI



- 1. MTA-EMCI has been retained by the SMR WON trade association to examine the impact of the FCC's Further Notice of Proposed Rulemaking (FNPRM, PR Docket No. 93-144, wide area SMR licensing) on the market for business radio communications. MTA-EMCI has reached the following conclusions:
  - Traditional SMR service is an economical business communications service which is separate and discrete from cellular telephone communications services. SMR communications services include dispatch communications, interconnection to the public switched telephone network (PSTN), and mobile data applications. Typical SMR subscribers work in the commercial service, construction, trucking, and public safety industries.
  - As a result of pending mergers between large SMR operators, the industry will become more concentrated. Through acquisitions, Nextel has reduced the number of SMR competitors in many geographic markets. The concentration of SMR channels and subscribers under Nextel limits the ability of competing SMR operators to expand their capacity and coverage areas as the market dictates. Motorola's ownership stake (24%) in Nextel will have significant ramifications for the competitiveness of the SMR equipment market.
  - The proposed geographic licensing approach to SMR will compel the industry to use a level of infrastructure which has higher capital costs compared to traditional SMR. The higher capital costs will be passed along to SMR customers in the form of higher average monthly service bills.
  - The Federal Communications Commission's wide area SMR licensing proposal, if implemented, will likely result in fewer SMR carriers serving economical business communications needs. Fewer carriers per market will result in a higher concentration of market share and a less competitive market. In addition to reducing competition in the business communications market, the proposed licensing of one to four additional mobile telephony operators in the SMR band will have a nominal impact on competition. The mobile telephony market will already be competitive due to the commission's licensing of two cellular operators and three to six PCS operators.
- 2. Malarkey-Taylor Associates-Economic and Management Consultants International (MTA-EMCI) is a full service telecommunications consulting company. MTA-EMCI provides a wide range of proprietary consulting services including strategic business planning, market demand studies, economic analyses, market research, litigation services and financial analysis. With offices in Washington DC and London, MTA-EMCI serves clients worldwide. The extent of our clientele includes mobile communications and cable TV operators, equipment manufacturers, financial analysts, venture capitalists, business planners, and others. MTA-EMCI is also a prominent publisher of market studies covering the SMR, cellular, cable television, PCS, mobile data, and paging industries. MTA-EMCI is located at 1130 Connecticut Avenue, NW, Suite 325, Washington, DC 20036.

- 3. The Mobile Communications Division of MTA-EMCI has extensive quantitative and qualitative experience in analyzing and researching the wireless communications industry. Common consulting projects include: developing econometric models, conducting financial valuations, analyzing market potential, determining price elasticities, conducting survey research, and performing strategic business consulting.
- 4. A report MTA-EMCI recently published is <u>The State of SMR & Digital Mobile Radio</u>: 1994-1995 (EMCI, Inc., January, 1995). The 6th annual edition of <u>The State of SMR</u> contains a Digital SMR progress report, the economics of SMR, information on SMR growth, revenue and equipment trends based on a survey of the SMR industry, background on the SMR industry, and research from other primary and secondary sources. In August, 1994, MTA-EMCI conducted a survey of SMR operators. Survey respondents served over 500,000 SMR subscribers, or approximately 30 percent of the industry. As part of the market study, MTA-EMCI also conducts telephone interviews with major manufacturers, operators and distributors of SMR equipment. MTA-EMCI has consulted extensively within the SMR industry on issues pertaining to 800 MHz, 900 MHz and 220 MHz systems, and on digital, as well as analog systems.
- 5. MTA-EMCI is an active participant in the development of regulatory standards and market research for the mobile communications industry. The company's experience includes:
  - Presentation of PCS demand characteristics before the FCC, at the request of the FCC.
  - Testimony before Congress at the request of the House Committee on Agriculture relating to rural telecommunications issues.
  - A filing before the FCC on behalf of PCN America on the impact of PCN pricing on competition in the cellular industry.
  - Expert testimony regarding SMR industry norms requested by the Federal Trade Commission (FTC) for a case involving an allegedly fraudulent investment operation.
  - Demand analysis and financial valuation of 220 MHz mobile radio licenses
  - Market research, demand projections, and support for Geotek Communications Inc. business plan.
  - A filing before the FCC on behalf of SunCom Mobile & Data, Inc. supporting their request for an extension of time to construct 220 MHz SMR systems.

### Traditional SMR Provides Economical Business Communications Services

6. Under private carriage, the SMR industry has been able to develop new service offerings at competitive prices. Traditional SMR offers a number of mobile communications services at affordable prices to approximately 1.8 million business users. While the majority of these subscribers are dispatch-only service users, SMR also offers mobile telephony and mobile data applications. In a given market, there are few close substitutes for the functionality and the price of SMR service.

## **Regulation and Services**

- 7. Specialized Mobile Radio (SMR) service was created by the FCC in 1974. The first SMR system began operations in 1977. The main purpose of SMR is to allow entities to provide commercial mobile radio service to qualified end-users. The FCC allocates the radio spectrum, and monitors loading, interference and the construction of SMRs.
- 8. Traditional SMR operators have been regulated as private carriers. Due to the private status of SMRs, state and local governments have had minimal regulatory impact on the industry. As a result of the favorable regulatory environment, SMR operators have been able to develop innovative business services such as automated dispatch, interconnection and mobile data services.
- 9. Using MTA-EMCI's survey results of SMR operators and interviews with major SMR equipment manufacturers, MTA-EMCI is able to track recent trends in the SMR industry. MTA-EMCI estimates that approximately 1.8 million radio units were loaded on SMR networks at the end of 1994, an 18 percent increase over 1993 subscribers (Figure 1). Net subscriber additions were significantly higher in 1994 than in recent years. The leading segments of the SMR industry are services, construction, and trucking, respectively (Table 1). Traditional SMR has also been a vehicle-based mobile communications service with more than 80 percent of the units in service using mobile radios and approximately 20 percent using portable radios in 1994.

Table 1 Distribution of SMR Subscribers by Industry, 1993 - 1994

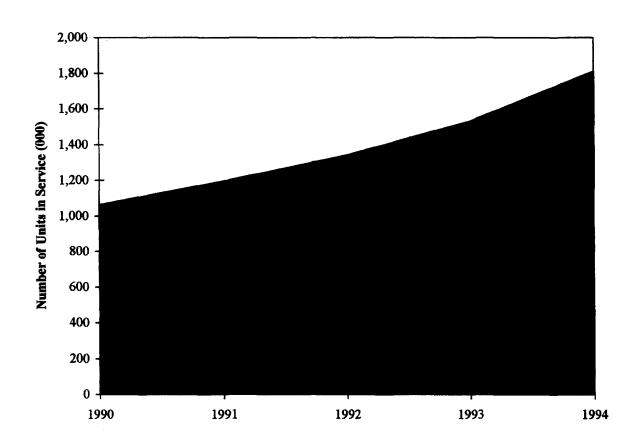
	1993	1994
Service	28%	27%
Construction	26%	27%
Trucking	11%	10%
Agriculture	10%	7%
Other Transportation	6%	5%
Health	3%	3%
Sales	3%	4%
Other	13%	17%

Source: MTA-EMCI, Inc.

#### **Economical Business Services Drive SMR Growth**

10. SMR plays a critical role in serving business communications needs with a multi-functional and economical service. Traditional SMR mobile communications service consists of push-to-talk dispatch communications, interconnection to the public switched telephone network (PSTN), and a number of mobile data applications. Average monthly revenues from dispatch services has remained in the \$14-\$16 range for the past five years (Figure 2). The average monthly fee for dispatch-only service was \$14.70 per month in 1994.

Figure 1 Annual SMR Units in Service 1990-1994



Source: EMCI, Inc.